App. F. IX-4

1926-27

File No. 152-26

Previous References (Geol)

Serial Nos. 1-6

Preserve

Later References

Geol-47-28.

(33)

General and Revenue Secretariat.

Serial Nos. Six

Part B for Mines

SUBJECT

Provision of funds for road development by levying a tax on petrol.

Madras

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

47.27

DEVELOPMENT BRANCH

1) A brochure to be sent on application for details from the petrol Cos. or agencies. (Sir B Blackett said that the Cos will be glad to co-operate.

2) Secretary to take action.

3) To Air Min asking him how the Companies will be consulted, & for his views

11/5/27

4) Draft dated 20/5/27

Secy D) 20/5/27

5) Issue.

N. B.—Should routine notes be written on small sl ps the notes must be cipoed, or slips pasted on this form

App. F. III—2]

7685

(2

General and Revenue Secretariat. Genl File No. 152 of 1926

Serial No.	
1	To, the Director of Re. P 10429 Q 28-5-27 State Coal is in under Consideration Govt to levy a Charge of 0-1-0 per gallon of petrol used in the State by Motor Cars or agents and Govt to obtain and submit with his own Opinion, the views of Provincial Govt

for A

GEN. & REV. SECRETARIAT
4 JUNE 1927
DEVELOPMENT BRANCH.

NOTE—Contn. sheet.

WD 2293—GPB—10,000—4-5-27

L 4 (3

App. F. III—2]

General and Revenue Secretariat. Genl File No. 152 of 1926

Spl. memo no. 384.

Serial No.

Genl Secy

6) Rept on the proposal to levy a charge on the State

GEN. & REV. SECRETARIAT. 2 JULY 1927 DEVELOPMENT BRANCH.

29.6.27

7) A.M. report urgent

1/7

8) Secy. wants connected file

4/7/27

9) The Dir. of Ptc. has not yet submitted his report called for, on 28.5.27.

Secy D)

47

10) The report came today. Please put up

4/7/27

2 From the Dir. of Ptcs no. G. 1375 & 29-6-27

3-7

NOTE—Contn. sheet.

WD 2293—GPB—10,000—4-5-27

(7685 44 81

3 (4

App. F. III—2]

General and Revenue Secretariat. Genl File No. 152 of 1926.

Serial No.	
	forwds. a copy of letter dt 16-6-27 from the agent, Asiatic Petroleum Co., Ltd., Madras, and states that unless the revenue realised by the imposition of a charge of one anna on every gallon of petroleum sold from the Companies is proposed to be spent on roads, the levy of such a charge would meet with a good deal of opposition from the public.
	4) Submd. with reference to para 10 of notes (Page 3).
	4-7-27
	5) The views of only one Company viz Asiatic Petroleum Co Ltd, Madras, have been received so far. We may perhaps await the views of other companies. In the meanwhile it may be ascertained what steps the Govt of Madras propose to take in this connection.
	5-7-27
47	Dcy Secy).
	13) Please ask the Dir to get the opinion of the BOC. Also a dft to the Resdcy for information as to how far

NOTE—Contn. sheet.

WD 2293—GPB—10,000—4-5-27

8 8

App. F. III—2]

General and Revenue Secretariat. Revl File No. 152 of 1926.

Serial No.	
	the Madras Govt have proceeded in the suggestion of the Govt of India regarding road improvement. (4) Madras may also get a list of the Stations where there are large petrol depots 11/7/27 (5) Ltr to please Dft 12-7-27 (6) Subd. with 2 drafts 16-7-27 13/7/27 (7) Dev. Secy) 10/7 (8) Issue 19/7/27 20-7-27.
3	To. the Secretary to the Resident No. Pol. 131 & 23/7/27 Requests him to obtain and furnish information from the Madras Govt: if a committee has been formed for developing roads & what is the views of Madras Govt. are in

NOTE—Contn. sheet.

WD 2293—GPB—10,000—4-5-27

(1796, 1811) 6

App. F. III—2]

General and Revenue Secretariat. Ext (File No. 152 of 1926

Serial No.	
4	To Rs Direct Taxes. No D. 917 dt 23/7/27 Requests him to obtain and forward the opinion that appears in the Indian and also to send up a list of Petrol depots in the Madras
5	From the Dir. of Ind No. C_2-347-27 dt 29.8.27. Furnishes the opinion called for in 4-4.
6	From the Secy. to the Resident. No. 8916 dt 1-9-27 Forwds. Copy of letter No. 26965-K dt 22-8-27 from the Secy. to the Govt. of Madras, Local Self Govt. stating that the question of imposing additional duty on petrol & tea are under the consideration of the Govt of India.
19	Refer please. (80) N.R 1.9.27
20	Filed. with refers & a Communication just received from the Residency on the subject. (B.H.D. II) 2/9/27
21	Information desired in

Ans A

NOTE—Contn. sheet

WD 0324—GPB—60,000—24-5-27

1796
1811

7

App. F. III—2]

General and Revenue Secretariat. File No. 152 of 1926

Serial No.

DEWAN'S OFFICE.
Received on
14. SEP. 1927
No. 1929

in paras 13 & 14 Supra by the Secy (S) put up
DS
3.9.27
Dep Secy)

39

22) A note on the subject of levying a tax on petrol to provide funds for Road Development is submitted for perusal
HR
13.9.27
Secretary)

-*- Pages 9-11 of Note

23) I should like to ask Sir Basil Blackett if the G of I contemplate any such action in this matter as referred to in this Note, & if so when they will be able to arrive at a decision or when this matter might be placed before the Assembly. If we do decide to levy an entry tax if the G of I should do the same Labour will have to abolish our entry & claim compensation from the G of I. This will bring home to them the necessity for a financial re-adjustment between the financial relations between the Centre & Provincial States in all India matters — a problem which we have been pressing on their attention for some time past.

NOTE—Contn. sheet.

WD 0324 -GPB-60,000--24 5-27

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat | Cecil File No. 15-2 [illegible] of 1927

Serial No

24) I propose Consulting Sir Basil; because we had a discussion on the subject during my Last visit. L Smith.
I shall be obliged if a copy of this letter is put up. There is no great hurry, as Sir B. is very busy just now with the Assembly

MS
15-9-27

OFFICE OF THE SECRETARY OF COUNCIL
16 SEP. 1927
No. 1480

25) Subd for perusal of Dewan's orders
2d Member)

WS
15-9-27

Dun
15/9

Mudk
17.9.27

WS
17/9/27

Dun
19/9/27

26) Draft D.O. Subd

MS
20/9/27

27) Please type D.O. as requested

Dun
22/9

28) Typed draft Subd

MS
23.9.27

Dun
23/9/27

Dewsecy)

23/9

29) Please type the D.O. for Mr. Lyons

WS
27/9/27

Dun

NOTE— Contn. Sheet

ROAD DEVELOPMENT- PROVISION OF FUNDS BY LEVYING A TAX ON PETROL.

30) The Government of India propose, at the instance of the Indian Legislature, to appoint a committee to examine the desirability of developing the road system and to consider means by which such development could be financed. As a preliminary step, a conference of representatives of Local Governments has been convened for a general discussion of the question. This Conference meets at Simla on the 22nd of September 1927. Two methods of raising funds have been suggested : (1) Imposition of an additional excise duty on petrol and distribution of the proceeds among the provinces in proportion to consumption, as evidenced by the books of the Oil Companies ; and (2) a direct tax on motor vehicles assessed on horse power or otherwise, or both.

31) Petrol at present pays an import duty of 4 as. per gallon. The total petrol consumption in Mysore is roughly 6 lakhs of gallons, according to figures got from Messrs. Shaw Wallace & Company, (Agents of the Burmah Oil Company) and the Asiatic Petroleum Company. There are in the State two major depots at Mysore and Bangalore, and eleven minor depots at Maddur, Nanjangud, Hassan, Tumkur, Arsikere, Birur, Davangere, Shimoga, Chitaldrug, Bowringpet and Kolar Gold Fields. An import duty of one anna per gallon would yield on the basis of the present consumption, a realisation of about Rs. 37,500.

32) In case the Government of India decide on the imposition of an additional excise duty on petrol, the best course would seem to be to arrange with them for our

our share of the realisations in proportion to the consumption of petrol within the State. This would avoid complications such as the levy of tax in Mysore upon a commodity which has already paid a tax to the British Government, and also be in conformity with our claims to participation in the imperial realisations from Customs Revenue. The adoption of an additional excise duty by the British Government would make it inexpedient for us to adopt the alternative course of taxing motor vehicles, as the users of such vehicles would in this case be doubly taxed- once in petrol in common with the rest of India, and once again on vehicles. If however, the Government of India themselves adopt the course of a tax on motor vehicles, we may either do the same, or elect to levy a tax on petrol.

33) If we should decide to take independent action irrespective of whether similar action is or is not taken in British India, several points arise for consideration. Granting that we shall be within our treaty rights in imposing a duty on an article which already pays a tax to the British Government, we shall have to decide on the method of collection. One obvious way would be to establish our own stations and recover a Customs duty on the petrol imported into the State. Since the object is to proportion the levy to the amount of traffic-- which is a measure of the use of roads-- this duty should, I think, be on the quantity and not on the value of petrol. A duty on the value would merely act as a drag on traffic when petrol is costly, and (would, on the other hand) lower the realisations when the cheapness of petrol throws a strain on the roads, though, of course, it is conceivable that the quantity consumed may in this case be larger. As the import is by Railway, there may not be much difficulty in collection ; but unless we secure the co-operation of the importing

firms, an expensive establishment will be necessary to guard against evasion and smuggling. Another method which seems to be easier and therefore more advantageous in the initial stages of the measure, is to request the importing firms to include the tax in their selling rates, and hand over the proceeds to Government. It may be added that, unless there is a similar duty on petrol consumed in the adjoining British territory, there will be a strong inducement to smuggle; and as the smugglers would be mostly owners of motor vehicles, detections would be difficult, especially, if there is collusion on the part of the local agents of the importing firms.

34) It is probable that the increase in price to the consumer might result in a contraction of the total quantity of petrol sold in the State, and a corresponding diminution in the business done by the importing firms, for which they would naturally expect to be compensated. This compensation will probably have to take the form of their being given a certain commission on the collections, which will have to include also remuneration for collection.

35) The imposition of a duty on petrol is certain to meet with a good deal of opposition from the public; but it is possible that this may, in some measure, be overcome by an assurance that the proceeds would be entirely utilised for the up-keep of roads and would thus directly benefit the very interests from whom they were derived.

36) The Hon'ble the Resident might perhaps be requested to keep us informed of further developments regarding this question in British India; and in the meanwhile our competency to tax petrol within the limits of the State may be examined by the Law Secretar--

13/9/27

1811 12

WD 01264—GPB—40,000—17-12-25

[App. F. III—2

General and Revenue Secretariat | Genl File No. ~~23~~ 152 of 1927

Serial No

37) Typed draft subd. as per orders (Para 29)

28/9/27

38) Submitted

Dewan)

28/9/27

39) Please put up all B'les

3-10-27

4/10/27

40) Received with reference to para 32 - Dewan's minute dt 3.10.27

18.10.27.

18/10/27

Dewan)

20/10/27

41) Sir Basil Blackett having left for England, it is no use our writing to him now. Besides, the appt. of a special Committee for Road Development (vide newspaper cuttings attached) makes it unnecessary that we should wait to see what their recommendations are. Should it be decided to levy a special tax on petrol — as seems quite possible — it would raise

DEWAN'S OFFICE. Received on 29. SEP. 1927 Reg. No 9286

GEN. & REV. DEPARTMENTAL SECTION 5 OCT. 1927 DEVELOPMENT BRANCH 19/10

DEWAN'S OFFICE. Received on 20. OCT. 1927 Reg. No 9706

NOTE— Contn. Sheet

General and Revenue Department of Secretariat. File No. 152 of 1926

SECRETARY OF STATE IN COUNCIL
31 OCT. 1927
2266

Serial No.

ROAD DEVELOPMENT COMMITTEE

PERSONNEL TO BE ANNOUNCED SHORTLY

(ASSOCIATED PRESS OF INDIA.)

SIMLA, Oct. 24.

The Roads Committee, which has been formed as a result of the recommendations of both the Houses of the Indian Legislature, will include eight members from the Assembly and six from the Council of State. The Committee will commence its sittings early in November under Mr. Jayakar's chairmanship. Probably, advantage will be taken of Mr. Jayakar's presence in Delhi in the first week of November, to hold the preliminary meeting. The personnel of the Committee will be announced shortly. It will have representatives from every political party in the Central Legislature, and will have representatives from practically all the provinces including Burma. There will be an expert engineer with a knowledge of roads and road development attached to the Committee. It is expected that to facilitate its enquiry and to make it as exhaustive as possible, the Committee will divide itself into sub-committees, and organise tours in all the provinces including Burma.

TERMS OF REFERENCE

The terms of reference to the Committee, we understand, embrace among other things two important questions:—(1) to examine the desirability of developing the road system of India and in particular the means by which such development can most suitably be financed (2) and to consider with due regard to the distribution of the central and provincial functions whether it is desirable that steps should be taken for the co-ordination of road development and research in road construction by the formation of a Central Road Board or otherwise.

[We understand that the Hon'ble Messrs. Suhrawardy, U. Rama Rao, Obederie Singh Sardar and Sir Arthur Froom of the Council of State, Messrs. K. V. Rangaswami Iyengar, Chaman Lal, Jayakar and another member of the Assembly and two officials will form members of the Central Road Development Committee with Mr. Jayakar as Chairman. The expenses of the Road Development will, it is understood, be met by a slight additional taxation on petrol. The Committee will meet in Delhi on the 10th November.]

NOTE—Contd. sheet.

an important issue & we would have to fight. The Govt. of India if a fair share of the tax was not credited to an independent achai as our pos. is unnecessary for the present.

Mg
30-10-27

Subject suspense.

2d Member

31/10/27

31/10/27 Route File 31-10-27 1-11-27

May this be recorded. Orders

1/11/27

2-11-27

GEN. & REV. SECRETARIAT
2 NOV. 1927
DEVELOPMENT BRANCH

APP. F. VI. Gl.]

SUBJECT.....

.....

.....

Section Sec of

File No. 152-26

Serial No

No. D. 10429 & 28/5/27

Diary No. of letter replied to....7685

General and Revenue Secretariat

( )

the *192*

To

the Dir. of Stc.

.....

Sir

Date of issue 28.5.27

Signed by.....

I am directed to state that there is a proposal before Govt. to charge one annna on every gallon of petrol sold from the petrol Companies or depots. In this connection I am to request you to obtain the opinions of some of the important Companies as to how far they would Coop and submit the same with your opinion to Govt.

List of enclosures.....

Copied by.....

Examined by.....

over

3 Geol. 152-26-2

TELEGRAPHIC ADDRESS :— "INDUSCOM."

In reply please refer to
No. Ga. 1375 C.S.

GOVERNMENT OF MYSORE.

DEPARTMENT OF INDUSTRIES AND COMMERCE.

Encl out

Refer please early

4.7.27

4727

OFFICE OF THE DIRECTOR,

Dated Bangalore, the 29th June *1927*
3rd July.

FROM

C. RANGANATHA RAO SAHIB, ESQ., B.A., B.L.,
Director of Industries and Commerce in Mysore,
(Bangalore India.)

To

N. Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of Mysore,
Development Departments, Bangalore.

SIR,

With reference to your letter No. D. 10429/Geol. 152-26-1 of the 28th May 1927, requesting me to obtain the opinion of some of the Petroleum Companies as to how far they would co-operate if a charge of one anna on petrol used in the State is imposed, I have the honor to submit for the information of Government copy of a letter dated 16th June 1927 received from the Agents of the Asiatic Petroleum Co., Ltd., Madras.

2) I beg to suggest that as proposed by the Agents the Government of Madras may be addressed as to how far the suggestions of the Government of India in respect of the appointment of a local committee to go into the question of road improvement have been carried out. From the information supplied by the Agents in their letter of the 24th June1927, ~~I beg to state that~~ it is seen ~~assumed~~ that about 4¾ Lakhs of Gallons of petrol were sold in the Mysore State including Coorg during 1926. The consumption in Coorg is estimated at 50,000 Gallons. The consumption in the State may be estimated at 4¼ Lakhs of gallons, yielding at the rate of one anna per gallon a sum of ~~is~~ Rs 26,500/-

3) In regard to your request for the submission of my opinion in the matter, I beg to state that unless the revenue realised by this charge is proposed to be spent on roads, the imposition of such a duty would meet with a good deal of ~~public~~ opposition. from the Public

Letter No:SUN:2129 dated the 16th June 1927, from the Asiatic Petroleum Co., Ltd., Post Box No: 67, Madras, to the Director of Industries and Commerce, Bangalore.

1) We are in receipt of your letter No: M.4202/C.S. of the 4th instant and in reply have to inform you that it is impossible to obtain actual figures of Petrol sales in Coorg,but we estimate them at about 2000 gallons per month for each of the present marketing companies or 4,000 gallons per month in all.

2) In continuation of our letter No: 206 of the 3rd instant we write to say that it is not clear to us why our co-operation should be sought Presumably the Mysore State would be acting within its Treaty rights with the British Government if it levied a tax upon a commodity which is subject to tax by the British Government. In that case the tax will be levied by the proper Mysore Authorities and there would seem to be no need for our co-operation.

3) It has however been suggested by one Provincial Government in India that the Petroleum Companies should agree to increase the price of the Petrol sold by them and to hand the proceeds thus realised to the various Government in proportion to the amounts collected in each Government's area and that they should thus act in the capacity of voluntary tax gatherers on behalf of the Governments. Do you wish us to consider the application of this proposal to Mysore?

4) We shall be glad if you will explain your letter of the 30th May/1st June 1927 in respect of the above as we should not be able to fall in with your suggestion if it is covered by the latter of the above possibilities. It might however conceivably be acceptable if the voluntary tax were uniform throughout India, and if, for reasons to be explained later, the Petroleum Companies had a guarante that the British Government would make the voluntary tax into a legal tax within a short period. The re sons for this are obvious.

In the first place the tax must be uniform to prevent smuggling, and in the second place if the Petroleum Companies enforced a voluntary tax, they would be exposing their market to outside competitors in America and elsewhere who would not be bound by the mutual agreements of the established Petroleum Companies.

3) In our opinion if the idea of the tax is to procure money which can be ~~xxxxxx~~ spent by the Mysore Goverrment on the improvement of their roads in addition to what is being spent now and is not merely going to enable their existing revenue now spent on roads to be spent on on other objects and not on roads we feel that there would be a strong public opinion in favour of the tax which it is unlikely that the Petroleum Companies would attempt to oppose; if however the money secured by this tax is to swell the general revenue of the Mysore State we feel that there would be equally strong resentment against it from the public as well as from the Petroleum Companies.

The subject of how roads in India generally can be developed is receiving the close attention of the Goverrment of India, which has agreed to the appointment of a Committee to go into this question Provided the local Provincial Governments are themselves in favour of it. We think therefore that it would be a good thing if you were to get into touch with the Madras Government and ascertain how the question of the appointment of this Committee now stands.

"Copy"

For Director.

BV.2.7.27.

q d/15

APP[illegible]F. VI. Gl.]

SUBJECT.....

.....

.....

Section E 22

File No. 152

Serial No. 3

Diary No. of letter replied to.....

No. Pol 131

General and Revenue Secretariat

( )

the *192*

To

The Secy to the Hon. the Resident in Mysore

Date of issue 23/7/27

Signed by Mr. N R

Sir,

The Govt. ~~Durbar~~ understands that the subject of how roads in India generally can be developed is receiving the close attention of Govt of India, and that they have agreed to the appt of a committee to go into this question provided the Provincial Govts are in favour of it. There is a proposal to levy a tax of 1 anna per gallon on petrol consumed in the State, and in that connection I am

List of enclosures.....

Copied by.....

Examined by .....

over

Directed ~~desired~~ to request you to kindly inform the ~~Darbar~~ Govt if there is no objection, whether such a committee has been formed ~~or~~ and what the views of the Govt of Madras are in the matter.

I have etc

Sd

16-7-27

Secretary

Sd

16 7 27

PP. F. VI. Gl.]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 192

Date of issue 23.7.27

Signed by.....

List of enclosures.....

Copied by.....

Examined by.....

Section Genl

File No. 152-26

Seria No. 4

No. D. 917 P. 2-3/27

To The Dir. of Ste

Sir

With reference to Genl letter No. S.-1375 dt 3-7-27 forwarding a copy of letter No. Sum. 2129 dt 16-6-27 from the Agents of the Consolidated Petroleum Co. Ltd. Madras ~~and stating that there would be a good deal of opposition from the public in case the amount charged on petrol is not used spent on roads~~ I am directed to request you to obtain the opinion

over

of the Burmah Oil Company as well
as the subject

I am further to request
you to submit for the information
of Govt. a list of stations
where there are large petrol
depots

I have etc

Lieut
16/7 Dep. Secy

Revl.152-'26-5

TELEGRAPHIC ADDRESS :— "INDUSCOM."

In reply please refer to
No. C2-347-27

GOVERNMENT OF MYSORE.

DEPARTMENT OF INDUSTRIES AND COMMERCE.

Enclos: Two.

OFFICE OF THE DIRECTOR,

Dated Bangalore, the 29th August *192*7.

FROM

C. RANGANATHA RAO SAHIB, ESQ., B.A., B.L.,
Director of Industries and Commerce in Mysore,
(Bangalore India.)

To

N. RAMA RAO, ESQ., B.A., B.L.,
Secretary to the Government of Mysore,
Development Departments,
Bangalore.

SECRETARIAT
DEVELOPMENT BRANCH

SIR,

With reference to your letter No: D.917/Geol. 152-26-4 dated the 23rd July 1927, regarding the levy of the duty of one anna per gallon of petrol consumed in the State, I have the honour to enclose herein for the information of Government copy of letter No: P.A.4/103 dated 18-8-1927 received from Messrs: Shaw Wallace & Co., Agents - The Burmah Oil Company, Limited, Madras. The total quantity of petrol sold by them in the State during the year 1926 was 1,68,798 gallons. The Company have pointed out that the effects of the levy would be to raise the local price of petrol to the consumers and to dislocate the business especially near the frontiers. They also would like to know if the income realised will be used for the maintenance of roads.

I am enclosing herein a statement showing the names of stations where there are Petrol Depots in the State.

I have the honour to be,

Sir,

Your most obedient servant,

C Ranganatha Rao Sahib

DIRECTOR.

BV.

Letter No: P.A.4/103 dated 18th August 1927, from Messrs: Shaw Wallace & Co., Agents - The Burmah Oil Company, Ltd., Post Box No: 14, Madras, to the Director of Industries and Commerce in Mysore, Bangalore.

&&&&&&

MOTOR SPIRIT.

Further to our letter No: PA/2/287 dated the 3rd June and to your letter D/O No:C2-347-27 of the 10th instant, our General Manager has authorised us to give you our Petrol sales in Mysore State during 1926. We attach a statement showing these and shall be glad if you will treat these figures as confidential.

You ask our opinion on the feasibility of the proposed levy of one anna on every gallon of petrol sold by our Agents in the State, we have no information as to how the levy will be collected but presume that you will ask us to submit periodic returns and will collect the tax from us. We will therefore have to include the tax in our selling rates, the price of petrol being thus raised, which in itself is a serious objection to such a tax since the poorer classes who make use of bus services will be affected more than the wealthier classes. Not only in Mysore State would selling rates be affected but also those at stations bordering the State, otherwise there would be endless importation of petrol from dealers in British India to Mysore State where rates will be higher. It would be an obvious hardship on consumers in these stations if we had to raise their rates as they would gain no advantage from the increase such as the people in your State may reasonably expect

In order to enable us to consider the matter further as regards the co-operation you ask from us, would you kindly advise us whether the proceeds of the suggested tax will be allocated to the upkeep of roads, the users of petrol being thus directly benefitted?. We should also be interested to

P.T.O.

STATEMENT SHOWING THE NAMES OF STATIONS WHERE THERE ARE PETROL DEPOTS IN THE STATE.

&&&

MAJOR DEPOTS.

Bangalore City.

Mysore.

MINOR DEPOTS.

Maddur.

Nanjangud.

Hassan.

Arsikere.

Birur.

Davangere.

Shimoga.

Chitaldrug.

Tumkur.

Bowringpet.

Kolar Gold Fields.

DIRECTOR.

BV.29.8.27.

29.8.27

V&E-27 07413

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

GEN. & REV. SECRETARIAT
2 SEP 1927
DEVELOPMENT BRANCH.

No. 8916 ENCLOS.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore 1st Septr 1927.

Encl. 152-26-6

with compliments,

A copy of the marginally* noted letter, ~~with enclosure~~ is forwarded to the Secretary to the Government of Mysore, Development Departments, for information, with reference to his letter No. Pol 131/Geol.152-26, dated th 23rd July 1927.

26965-1C(L&M) No. dated the 22nd August 1927 from the Government of Madras, Local Self Government Departments.

GEN. & REV. SECT. D 1 1927 G. D. SECTION

Major,
Secretary to the Resident.

AR

P. O. 1252, R. O. 106 (a)—30-1-1926.—1,000—R. P. g.

Letter No.26965-1C (L&M), dated the 22nd August 1927, from the Secfetary to the Government of Madras, Local Self Government Department, to the Hon'ble the Resident in Mysore, Bangalore.

SUBJECT:- Committee - Road Development in India.

With reference to your letter No.7609/139/1927, dated the 30th July 1927, I am to say that the Government of India have informed this Government that they propose to appoint at the instance of the Indian Legislature a Committee shortly to examine the desirability of developing the road system of India and the means by which such development could be financed. Before constituting the Committee, however, the Government of India have thought it desirable to call a conference of the representatives of the various Local Governments to discuss the question generally and to decide on the subjects which should be placed before the Committee. The preliminary Conference meets at Simla on the 22nd September 1927.

It is suggested that additional funds could be raised either by the imposition of an additional excise duty on petrol and the distribution of the proceeds to the provinces in proportion to their consumption as shown in the books of the oil companies or a direct tax on motor vehicles assessed on horse power or otherwise, or both.

This Government are considering the subject and have not yet come to any definite conclusions in the matter.

---ooOoo---

" C O P Y "

REGISTRAR, RESIDENT'S OFFICE.

Not issued Draft

(1)

Alternative -
Dont you remember
we had a conversation
at Simla regarding the
need - etc

Dear Sir

I write to recall to you the conversation we had at Simla regarding the need for improving and developing our roads - and for raising money for the purpose by laying a tax on petrol or motor vehicles. I understand that the Government of India have appointed a Committee to examine the question and called a conference of representatives of Local Governments to discuss it. I do not know what the Conference has recommended, and whether the Government of India contemplate taking any action in the matter. In any case, would you - advise us to wait till they have come to a decision or do you think we might go - ahead and take such action as our own conditions require?

I may ~~tell~~ you that our road system would benefit greatly by an additional - dose of money, and the people from whom - the tax would come would feel ~~themselves~~ more than repaid by improved facilities for travel and transport.

Yours sincerely,

To

Hon'ble Sir B.P. Blackett, K.C.B.,
Finance Member to the Government
of I N D I A.
D E L H I

BRS

15

APP. F. VI. Gl.]

SUBJECT.....

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Diary No. of letter replied to.....

Section

File No

Seria No.

No.

General and Revenue Secretariat

( )

the 192

Date of issue.....

Signed by.....

I understand that the Govt of India have appointed a Committee to examine the question, and called a conference of representatives of Local Govts to discuss it. I don't know what the Conference has recommended, and whether the Govt of India contemplate taking any action in the matter.

List of enclosures.....

Copied by.....

Examined by.....

10

.....

I write to recall to you the conversation we had at Simla regarding the need for improving and developing our roads and for raising money for the purpose by laying a tax on petrol or motor vehicles. I understand that ~~I don't know what opinions~~ the Local Govts were consulted, but ~~have given~~ don't know what opinions they have formed and whether the Govt of India contemplate taking action themselves on the lines indicated. In any case, would you advise us to wait till they have come to a decision, when ~~their decision~~, or do you think we might go ahead on our

over

take such action
and take such steps as our
own conditions require ?

I may tell you that our
road system would benefit greatly
by from an additional dose of money,
and the people from whom the
tax would come would feel more than
repaid by improved facilities for
travel & transport

Dear Sir, B.

I write to recall to your mind the conversation we had at Simla on the subject of raising some revenue either from a tax on petrol or a tax on motor vehicles. I am not sure if the Government of India contemplate any such action in the near future, and whether the Conference of Representatives of Local Governments are in favour of a tax on petrol or tax on motor vehicles, as a means of financing the development of the road system. I would be much obliged if you will kindly inform me whether there is any objection to the Government of Mysore taking up the question now, or whether you would advise us to wait till the Government of India have decided on what action to take.

I would be obliged for information as to whether the Govt of India contemplate action on these lines themselves. If so, may I ask what would you advise us to do? How we better wait, until the Govt have decided what course to adopt, or might we go on

Yours sincerely,

23/9

To

Hon'ble Sir B.P. Blackett, K.C.B.

Finance Member to the Govt. of I N D I A,

D E L H I.

BRS